

## THIS ISSUE

### Work Hardening Fee Schedule

#### TO:

Work Hardening Providers  
Self-insured Employers

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### Purpose

The purpose of this bulletin is to notify work hardening providers and self-insured employers of changes being made to the way approved work hardening program providers will be paid for work hardening services. This policy covers payments made for services to individuals (insured) covered by the State Fund, Crime Victims Program and self-insured employers (insurer).

**The new fee schedule will become effective July 1, 2005.**

### Topic

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## Work Hardening Billing Code Changes

### What is changing?

- CPT® codes 97545 and 97546 will be used to pay for work hardening treatment. Evaluations will continue to be paid using local code 1001M.
- Providers will use three codes for billing as opposed to 19 codes.
- Providers will bill only for time that the client is receiving services (either one-on-one or supervised).

### Why are the changes being made?

The changes are being implemented in order to improve compliance with HIPAA billing rules. Workers' compensation programs are legally exempt from HIPAA requirements. However, the department has chosen to adopt as much of the standards as possible in order to be consistent with other payers and the provider community.

### Will the work hardening program standards change?

**No.** The work hardening program standards remain the same. The standards are available at

<http://www.LNI.wa.gov/ClaimsIns/Files/ReturnToWork/WhStds.pdf>.

### How were the previous codes consolidated?

Previous Local Codes	Procedures	Previous Unit Limit 1 unit=1 hour	Code effective July 1, 2005
1000M	Interview	1	1001M Evaluation
1001M	Evaluation	5	
1002M	Plan Development	1	Conditioning/Aerobic, Work Simulation, Preparation, Education and Job Coaching are combined into: <ul style="list-style-type: none"> <li>• 97545 1<sup>st</sup> 2 hours per day.</li> <li>• 97546 each additional hour, up to a maximum of six units (hours) per day.</li> </ul> Plan Development, Conference and Coordination are bundled into the above codes
1003M	<b>Wk 1</b> Conditioning/Aerobic	8	
1004M	<b>Wk 1</b> Work Simulation	8	
1005M	Conference	0.5	
1006M	<b>Wk 2</b> Conditioning/Aerobic	8	
1007M	<b>Wk 2</b> Work Simulation	15	
1008M	Conference	0.5	
1009M	<b>Wk 3</b> Conditioning/Aerobic	8	
1010M	<b>Wk 3</b> Work Simulation	20	
1011M	Conference	0.5	
1012M	<b>Wk 4</b> Conditioning/Aerobic	10	
1013M	<b>Wk 4</b> Work Simulation	25	
1014M	Discharge Conference	1.0	
1015M	Preparation	2.0	
1016M	Education	6.0	
1017M	Coordination	2.0	
1018M	Job Coaching	2.0	

### Why were some codes bundled?

All new codes reflect an expectation that the provider bills only for the time that services are provided in the presence of the client. However, the payment value of procedure codes 97545 and 97546 takes into consideration that some work occurs outside of the time the client is present. The previous fee schedule included time for development of a plan (1002M), coordination (1017M) and conferences (1005M, 1008M, 1011M and 1014M) that could be billed without the client being present.

## Billing Codes and Fees

The following three codes will be used to bill for work hardening program services for dates of service on or after July 1, 2005. **The new fee is effective July 1, 2005.** *Note: Programs beginning prior to July 1, 2005 will be reimbursed at the July 1, 2004 fee schedule rates. Procedure codes 1000M and 1002M-1018M will not be paid for dates of service after August 12, 2005.*

Procedure Code	Procedure	Description	Maximum fee per unit
1001M	Work hardening – evaluation	Initial evaluation for entry into a work hardening program, including the interview.	\$ 106.48
97545	Treatment	Initial 2 hours of work hardening each day. Not covered for work conditioning services.	\$ 103.94
97546	Treatment	Each additional hour of work hardening each day. Not covered for work conditioning services.	\$ 48.05

## Billing Rules

### Who can be paid for work hardening program services?

Only approved work hardening providers may be paid for work hardening evaluation and treatment. A list of approved providers by location is available on the L&I website at <http://www.LNI.wa.gov/ClaimsIns/Providers/Manage/RTW/WorkHard/default.asp>.

### How should work hardening services provided on or after July 1, 2005 be billed?

For programs beginning **prior** to July 1, 2005 providers must bill the entire program using the local codes that are effective as of the start date of the program (1000M-1019M).

*For example, if the client's program begins June 20, 2005, the entire program including dates of service after July 1, 2005 must be billed using the 19 local codes. These codes will not be paid for dates of service after August 12, 2005.*

For programs beginning **on or after** July 1, 2005 providers must bill for services using the new fee schedule (1001M, 97545, 97546).

### Can conference time be billed if the client is present?

**No.** Time spent in conferences is not covered as a separate code. Only evaluation and treatment services related to the work hardening treatment plan (physical/aerobic conditioning, work simulation, education, job coaching and evaluation) can be billed.

### How are job coaching and education to be billed?

Job coaching and education are provided as part of the work hardening treatment program. Therefore, these services must be billed using procedure codes 97545 and 97546.

### **What are the limits for work hardening codes?**

Four week program limits		Six week program limits (includes weeks 1-4)	
1001 M	6 units	1001M	6 units
97545	20 units (40 hours)	97545	30 units (60 hours)
97546	70 units (70 hours)	97546	120 units (120 hours)
		Program extensions must be authorized in advance by the claim manager.	
<b>Limits for all programs</b>			
<ul style="list-style-type: none"><li>• Program must be authorized in advance by the claim manager.</li><li>• Only approved work hardening program providers may bill for these services.</li><li>• Only one unit per day of 97545 will be paid per claim.</li><li>• 97546 is an add-on code. It will not be paid as a stand-alone code. *</li><li>• Other procedure codes billed on the same date of service must be authorized in advance by the claim manager.</li></ul>			
<i>* In programs with more than one provider, 97545 must be paid to one provider before 97546 can be paid to any provider for that claim and that date of service.</i>			

### **Does the evaluation have to be billed all on one day?**

**No.** The evaluation should be billed on the date the services were provided. Evaluation services billed beyond the six unit limit will not be paid.

### **How many hours of service can be billed in one week?**

There are no weekly limits on the work hardening program codes.

The maximum units for procedure code 97545 take into account that there are 20 days in a work hardening program (limit one unit per day).

The maximum units for procedure code 97546 take into account that the worker should be increasing daily time by one hour per week (10 hours week one, 15 hours week two, 20 hours week three, 25 hours week four). However, the actual hours may vary during the program and billing must reflect the services provided.

Work hardening providers are responsible for keeping track of the units billed. Units billed beyond the maximums listed above will not be paid.

### **Does the daily maximum for therapy services apply?**

**No.** The daily maximum allowable fee for therapy services does not apply to the work hardening program codes.

**Can other procedure codes be billed for the same date of service as work hardening program services?**

**No.** Work hardening is a specific treatment program. The provision of additional services during a work hardening program is atypical and must be authorized in advance by the claim manager. Provider documentation must support the billing of additional services.

If, as in the case below, a client is unable to participate in work hardening program services, the provider may bill for services outside of the work hardening program. Prior authorization is not required for this situation, which is expected to be infrequent. In this case, the work hardening procedure codes would not be billed and the provider can be paid for other procedure codes, subject to the daily maximum allowable fee.

**How should services be billed if the worker doesn't participate in at least 2 hours of service?**

Services provided for less than two hours on any day do not meet the work hardening program standards. Therefore, the services must be billed outside of the work hardening program codes.

*For example: The worker arrives for work hardening program services but is unable to fully participate in work hardening that day. Services should be billed using CPT<sup>®</sup> codes that appropriately reflect the service(s) provided. This should be considered as an absence in determining worker compliance with the program.*

*If this scenario recurs, providers must recommend whether or not to continue the program.*

The standard for participation in a work hardening program continues to be a minimum of four hours per day, increasing each week to 7-8 hours per day by week four.

**How are services for procedure code 97546 billed if the worker does not complete a full hourly increment?**

After the first two hours of service on any day, if less than 38 minutes of service are provided the -52 modifier (Reduced Services) must be billed. The add-on code (97546) for that hour must be billed as a separate line item with a -52 modifier and the charged amount pro-rated to reflect the reduced level of service.

When the -52 modifier is used, adjust the charged amount to reflect the percentage of the hour billed. If 30 minutes of service are provided, then the charged amount would be 50% of the usual and customary charge for 97546. If 20 minutes of service are provided, then the charged amount would be 33% of the usual and customary charge for 97546.

**Example 1:** *The worker is scheduled to attend 5 hours of treatment on July 8, 2005 but leaves 40 minutes earlier than scheduled (completes 20 minutes, or 33% of the last hour). When billing for the last hour of treatment, the provider must use a -52 modifier and pro-rate the charged amount as follows:*

Date of Service	Code	Modifier	Charged Amt	Units
7/8/05	97545		Usual and customary charge	1
7/8/05	97546		Usual and customary charge	2
7/8/05	97546	-52	33% of usual and customary charge	1

**Example 2:** The worker is scheduled to attend 6 hours of treatment on July 15, 2005. The worker has to leave 30 minutes earlier than scheduled. When billing for the last hour of treatment, the provider must use a -52 modifier and pro-rate the charged amount as follows:

Date of Service	Code	Modifier	Charged Amt	Units
7/15/05	97545		Usual and customary charge	1
7/15/05	97546		Usual and customary charge	3
7/15/05	97546	-52	50% of usual and customary charge	1

**Example 3:** The worker is scheduled to attend 7 hours of treatment on July 22, 2005 but leaves 15 minutes earlier than scheduled (completes 45 minutes of the last hour). Because the worker passed the 38 minute mark, the full unit may be paid for the final hour. The provider must bill:

Date of Service	Code	Modifier	Charged Amt	Units
7/22/05	97545		Usual and customary charge	1
7/22/05	97546		Usual and customary charge	5

### **Which provider should bill for services provided in a multi-disciplinary work hardening program?**

Every provider must bill for the services that they are responsible for each day. Both occupational and physical therapists may bill for the same date of service.

Only one unit of 97545 (first two hours) will be paid per day per claim and the total number of hours billed should not exceed the number of hours of direct services provided.

*For example: The occupational therapist is responsible for the work simulation portion of the worker's program, which lasted 4 hours. On the same day, the worker performed 2 hours of conditioning/aerobic activity that the physical therapist is responsible for. Services could be billed in one of two ways:*

Option 1		
OT	1 unit 97545	2 hours
	+	
	2 units 97546	2 additional hours
PT	2 units 97546	2 additional hours
	Total hours billed:	6 hours

Option 2		
PT	1 unit 97545	2 hours
OT	2 units 97546	4 additional hours
	Total hours billed:	6 hours

*In each option above, the total number of hours billed is consistent with the number of service hours provided.*

## Authorization Requirements

### **How do providers obtain authorization for a work hardening program?**

Providers must obtain authorization for work hardening services from the claim manager. Requests must include the provider and/or clinic name, the injured worker's claim number, anticipated dates of service (e.g. start and end dates) and the billing codes that are being requested. It is also helpful to notify the claim manager of the job goal for the work hardening program.

## Work Conditioning

### **Will the insurer pay for work conditioning programs billed using procedure codes 97545 and 97546?**

**No.** These procedure codes are only authorized for work hardening program services provided by approved work hardening providers.

Work conditioning services should continue to be billed using appropriate CPT<sup>®</sup> codes with the exception of 97545 and 97546.

Providers are encouraged to review the "Physical Medicine CPT<sup>®</sup> Codes Billing Guidance" section of the Professional Services payment policies contained in the Medical Aid Rules and Fee Schedule. The payment policies may be located under "fee schedules" on the L&I web at <http://www.LNI.wa.gov/ClaimsIns/Providers/Billing/>.

## Where is more information available?

Medical Aid Rules (WAC)	<a href="http://www.LNI.wa.gov/ClaimsInsurance/Rules">http://www.LNI.wa.gov/ClaimsInsurance/Rules</a>
Fee Schedule & Payment Policies	<a href="http://www.LNI.wa.gov/ClaimsInsurance/ProviderPay/FeeSchedules">http://www.LNI.wa.gov/ClaimsInsurance/ProviderPay/FeeSchedules</a>
WAC 296-20-01002	Definitions – Proper and necessary
WAC 296-20-015 (1-2)	Who may treat
WAC 296-20-02010	Review of health services providers
WAC 296-20-06101	Reporting requirements
WAC 296-20-12050	Special programs
WAC 296-20-132	Determination of conversion factor adjustments
WAC 296-23-220	Physical therapy rules
WAC 296-23-230	Occupational therapy rules
WAC 296-23-235	Work hardening
Provider Hotline	1-800-848-0811